

**CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JULY 25, 2006**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, July 25, 2006, commencing at 7:02 a.m.

A. ROLL CALL

Present: Council Members – Beckman, Hansen, Johnson, Mounce, and Mayor Hitchcock

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and Deputy City Clerk Taylor

B. TOPIC(S)

B-1 "Report from the San Joaquin Partnership on its recently adopted Economic Development Strategic Plan"

Mike Locke, President and CEO of the San Joaquin Partnership, provided a PowerPoint presentation (filed) outlining the results of a one-year study indicating the current direction and recommended plan for future economic development efforts in San Joaquin County. He shared that the plan is a blueprint for San Joaquin County's future economic development efforts, designed and orchestrated to culminate in a county-wide effort with the Partnership serving as one of many organizations involved in implementing the strategic plan. Developed over the course of 2005, the plan encompassed several meetings of the advisory committee acting as the steering group, which received input from a number of community focus groups and public workshops before adopting the plan on January 26, 2006. The community assessment, target industry analysis, and recommendation portions of the report are available at www.sjpnet.org; however, the competitive cities portion was not posted on the Partnership website so as to avoid elaborating on perceived weaknesses or comparisons with competitive cities. The strategic plan, organized to recommend eight goals for economic development efforts, contains objectives and strategies that would work to increase San Joaquin County's opportunities for growing its target industries and other high-impact businesses:

- Economic Development Focus
- Economic Development Marketing
- Business Climate
- Sites & Infrastructure
- Entrepreneurship
- Tourism
- Education & Workforce Development
- Quality of Life

In response to Council Member Hansen, Mr. Locke shared that the consultant, Angelou Economics, was aware that five of the seven county communities have growth limitations in place and were cognizant of the different attitudes in each community about the quality of growth. He shared that the focus of the 46 detailed recommendations of the report included issues of quality of redevelopment, uniqueness of community, and differentiating and setting of high standards so that what is built in different communities represents an improved quality of life from the perspective of existing citizens and those relocating to the area. Further, the report recommends supporting Measure K renewal and focusing greater emphasis on collaborations between communities with regard to transit programs so that dependency reduction upon vehicles can be accomplished. Additionally, the report encourages a balance in growth to maintain the quality of life as it relates to open space as

well as the protection of viticulture, which is the core base of tourism and the foundation of the local economy in the northern county region.

Council Member Hansen asked if the report focused on the higher cost of doing business in California and whether engaging in activities regarding legislative policy was discussed. Mr. Locke explained that California has a 15% to 20% cost differential when compared to other states, which is factored into decision making, especially in light manufacturing. The differential includes regulatory processes, labor costs, energy costs, and the higher cost of worker's compensation in California. He shared that one of the recommendations was that the business community get involved with creating a legislative policy body, perhaps led by the business council working with local chambers of commerce to create a coalition representing local political interests in state legislation. Council Member Hansen commented that if a stand is not taken to lobby on the state and federal level, decisions will be made may negatively impact the efforts of a community or county.

Mr. Locke stated that an entrepreneurial team is being formulated to create a high-end business incubator program, which will focus toward scientific and technology-driven businesses, developing an entirely new business base as well as qualified workers to support them. The strategic plan calls for the enhancement of Kindergarten through 12th grade programs, job training programs, vocational training, and support of the Delta College multi-campus strategy, all of which were viewed as significant parts of the education workforce development group. Tourism is recognized as an economic center for San Joaquin County to be developed and marketed with a county-wide focus on wine tourism, sports, entertainment events, and Delta waterways. A number of strategic priorities were identified in terms of job development relating to support of the master plan for the Mariposa Lakes property project, Stockton/San Joaquin Airport promotions, the Port of Stockton and Rough and Ready Island projects, and support of downtown revitalizations in each of the County cities. Lodi was pointed out as being the most successful in completing a comprehensive downtown revitalization and was encouraged to continue its efforts. Further, the report indicated that San Joaquin County could do better than other regions in California when competing nationally for comprehensive manufacturing businesses due to its rail, port, and aviation support and noted that the west coast consists of approximately 45 million consumers as the marketing target. The main focus for the Stockton Airport will be air freight and related developments since the proximity to Sacramento International Airport makes passenger transportation competition difficult.

Mayor Pro Tempore Johnson suggested that a vocational school might be interested in focusing on aircraft maintenance and landing gear repair in a cooperative effort with the Stockton airport to best utilize the airport facility. He noted that such a program would provide training to young community members, offering good paying jobs and the ability to remain in or near their community.

Mr. Locke reported that in the late 1990s San Joaquin County dropped out of the food processing industry due to issues over water availability, sewer discharge, and regulatory constraints. The consultant recommends returning to the food processing arena with a focus on viticulture, organic snack foods, nutritional items, and high value products with specialization that will become exports from the region such as the international distribution of aseptic packaged foods now being produced in Lathrop. Additionally, energy resources and agricultural biotechnology, as it relates to fuels, biomaterials, horticulture and fertilizer, are recommended, as well as energy resource technology, such as fuel cells, biomass, waste, solar, and wind power.

Logistics and distribution has historically been a heavy growth industry; however, the consultant recommended focusing on international trade, relying on assembly and component parts that tie to local industry. One recommendation currently being implemented is to form target industry teams comprised of community members related to

goal industries to work with the Partnership to create targeting and marketing outreach. Over the past 13 years, 90% of the Partnership effort has been on attraction and 10% has been on retention and expansion. The Partnership, by adoption of the strategic plan, is to change the formula to focus funding and staff time as follows: 60% toward attraction, 30% toward retention and expansion, and 10% toward entrepreneurship. Additionally, the consultant recommended that the Partnership hire three new staff members and that it generate another \$500,000 in funds, both of which the board indicated would be impractical and not feasible at this time. To implement the proposed strategies, four community partner groups have been formed: education and workforce development, public entities, allied chamber and visitor organizations, and business community. Initial group meetings were conducted in late June; bi-monthly meetings are scheduled to begin in August with the goal of identifying priorities, designating responsible parties, defining the pursuit of priorities, and implementation.

Recommendations specific to the Lodi community include: encouraging a mix of uses within the downtown area to continue development; consistently creating comprehensive incentive packages within the downtown area; developing a marketing strategy and campaign for business retention; supporting Measure K half cent sales tax; supporting international trade through new initiatives; creating business incubators, venture capital funds, and angel networks; expanding tourism resources to link diverse segments of activities promoting tourism; expanding and encouraging development of wine tourism; supporting the Delta College multiple campus strategy; making the County's high schools leading edge; creating a county-wide beautification plan; and working to streamline procedures for development and permit processes.

At the request of Council Member Hansen, Mr. Locke explained that, while the consultant did not specifically consider the Delta College program which offers high school students accelerated learning through college-accredited courses sponsored by or at the Delta College campus, it did provide examples of successful efforts and programs, such as accelerating traditional educational programs. Educators were consistent participants in the advisory committee in terms of workforce development components and noted that graduation from high school is the end of education for many individuals who could benefit from vocational training to better prepare for employment opportunities. Delta College is currently involved in contracts for vocational training programs in nursing, medical technology, and heavy machine operation, and the consultant recommended this be continued on a more broad scale, including skill set development for technicians in manufacturing and research.

Mayor Hitchcock commented that the County-wide beautification is an important aspect in drawing business and tourism to the area and asked about the changing focus on the range of technology to higher technology. Mr. Locke shared that San Joaquin County does not have a research institution or educational institution conducting research and development, which is highly sought after by technical industries looking for new site locations which can support research capabilities within the education field for basic research and training of personnel. San Joaquin County has very limited capacity past the undergraduate levels, and because of that many companies will not look in this county or bring a research capability until that can be remedied by our area, most probably after the next decade. The University of the Pacific (UOP) campus is not seen as being capable of offering this type of education due to the high cost of establishing such programs; however, it does produce many graduates in pharmaceuticals and chemistry. The Partnership is currently working to line up the UOP school chemistry curriculum with community fuels, allowing for internships, which could be established for chemical processes used in reconstituting used fuel products.

At the request of Mayor Pro Tempore Johnson, Mr. Locke explained that, during the past four years, the Partnership has worked to expand vocational education and training in the

valley by promoting a computer sciences program undergraduate degree at the University of Stanislaus at Stockton. The program is available at the Turlock campus; however, the Stockton campus has been designed to focus primarily on health care and nursing services which, while vital to the region, do not support the diverse and greater technology skilled employers and employees. He stated that expanding the Stockton campus curriculum to offer a computer sciences program would require private sector funding, the necessary equipment for a teaching computer lab, and funding for staff to support the program.

In response to Council Member Hansen, Mr. Locke explained that the Partnership will dedicate 60% of its efforts toward attraction and retention of business by contacting site selection consultants and brokers throughout the nation to share information about business opportunities in San Joaquin County through literature, trade shows, and meetings.

In reply to Mayor Hitchcock, Mr. Locke shared that the Partnership conducted a workshop to review and discuss the various recommendations before unanimously adopting the report in January 2006. There was concern voiced over the shortage of staff in the Partnership to address the consultant's recommended actions; however, if the Partnership is able to continue to rely on the community partner groups, the workload will be carried by the groups. The Partnership and staff are charged with moving forward with the recommendations and will continue to rely upon the cooperation, communication, and good will of all communities to meet the strategic plan objectives. He stated that interested individuals and groups are encouraged to contact the Partnership and become involved in sharing thoughts and ideas regarding the strategic plan and future growth.

Council Member Hansen asked if Mr. Locke would recommend that communities put their economic development budget dollars into the Partnership or into City staff positions to realize the greatest return on the investment. Mr. Locke shared that the County Board of Supervisors has contributed the same amount for 13 years and that the Partnership has not approached public entities for increased contributions since increased costs have been absorbed through private sector membership expansion. He added that each community faces economic development challenges such as retail and hotel/motel issues, in which the Partnership does not get involved. He stated that additional funding would be welcome but that, likewise, local staff members are encouraged to interact with the Partnership on the level that is desirable for the community, and to participate with the Partnership in programs and trade shows at the individual's expense. He stated that the Partnership will continue to support communities and take its direction from local communities to set the pace and direction of the working relationship.

C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

D. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 8:19 a.m.

ATTEST:

Jacqueline L. Taylor
Deputy City Clerk